

BiofuelCircle Market Insights

August 2025

From the Editor's Desk: Here comes ₹2

Briquettes became more expensive than imported Coal in Jul 2025. While coal remained steady at ₹1.77 per kCal-kg, the weighted average price of briquettes leaped 7% to ₹1.895 per kCal-kg. At ₹2.09 on Jul 2025, Premium briquettes have already crossed the ₹2 barrier. Its only a matter of time now that the entire briquette basket touches or even crosses this number.

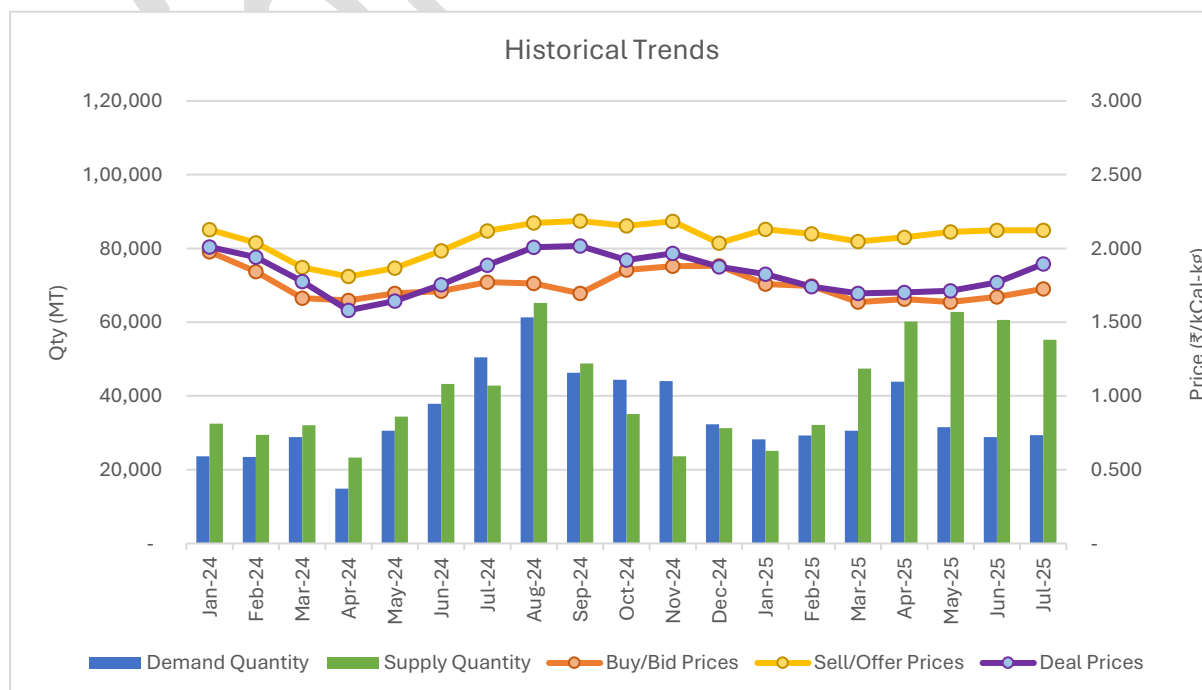
Forward prices for delivery into Aug 2025 are nearly there, at ₹1.98 per kCal-kg average for all grades. And with dwindling availability of Standard briquettes, Buyers have all but given into Supplier expectations of price. The deal price for spot and forward months is currently holding more or less midway, after being closer to Buyers' Bid prices ever since Dec 2024. Buyers sought almost the same Bid price for deliveries into all the forward months, right from August to October.

The weighted average GCM in Jul 2025 was also higher at ₹1,650 per MT, or 24% of the landed cost of briquettes. Manufacturers were obviously thrilled, but there were no deals seen for Standard grade feedstocks on the platform, signalling a withdrawal of Standard briquettes typical of the monsoon.

An interesting dynamic is at play in the international coal markets, with record domestic production in China, leading to oversupply, far exceeding demand. And turning China into an exporter of Coal. How would attempts to correct this situation impact the prices for the rest of the year? And what does a flat Bid/ Buy price forward curve signify?

Read on to know more.

Past Trends: Briquette Prices



This chart shows the pan-India trend on the BiofuelCircle platform, for weighted average delivered prices of Biomass Briquettes, converted to Rs per kCal-kg over the past months, along with the availability & demand from our subscribers. Weighted average is calculated using quantity sought/ offered/ deals done, averaged over a month. Buy/Bid prices (orange line) are expectations of Buyers (delivered basis). Sell/ Offer prices (yellow line) are based on responses and sells published by Sellers (again delivered basis). And finally, the Deal prices (purple line) are for deals concluded after platform-based negotiations between Buyers & Sellers. Demand (blue bars) is the total Buy quantity the month, and Supply (green bars) is the total quantity Offered by Sellers for that month.

The weighted average price of Briquettes jumped to ₹1.895 per kCal-kg in Jul 2025, a sharp rise of 12 paise from ₹1.77 in June. This is the largest month-on-month increase in prices in the last one year, and a significant breakaway from the trend.

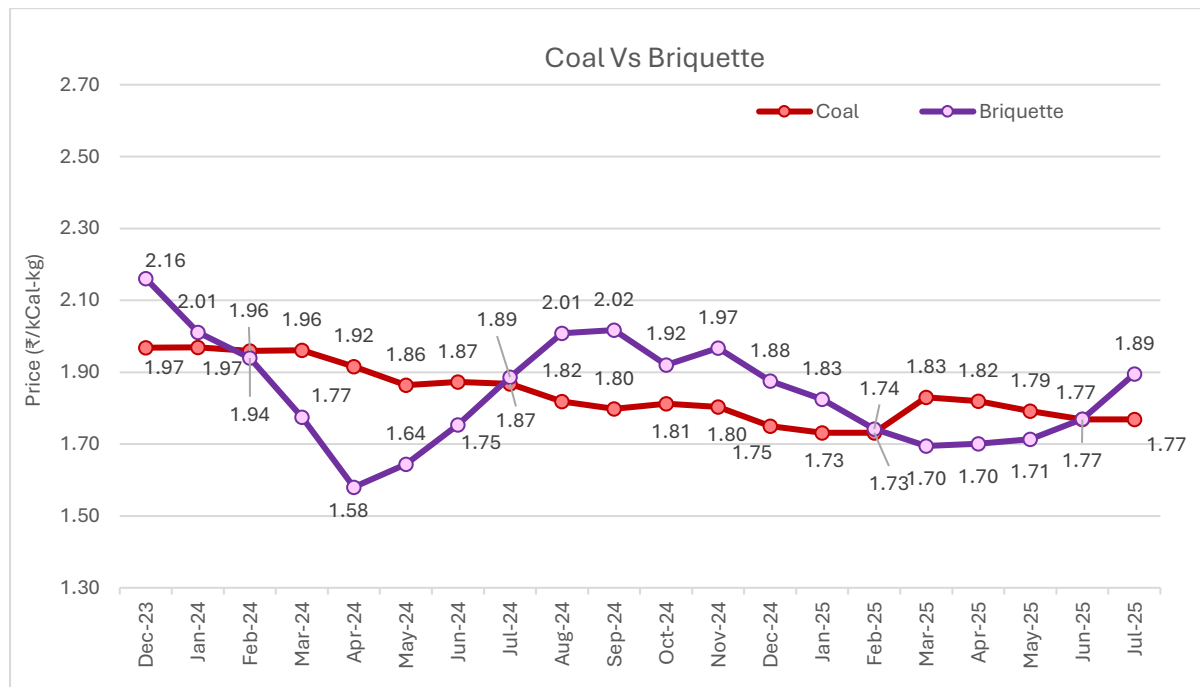
Prices of all grades of briquettes nosed upward in Jul 2025. Superior briquettes (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) led the charge with an increase of almost 9% (15 paise) from ₹1.69 in Jun 2025 to ₹1.84 per kCal-kg in July. Premium briquettes (GCV >3800, Ash <8%) were next, breaking out to ₹2.09 per kCal-kg in Jul 2025, up 13 paise from ₹1.96 in the month before. The prices of Standard briquettes (GCV < 3400, Ash >12%) were not to be left behind, rising 7 paise to ₹1.75 per kCal-kg last month, from ₹1.68 in June.

The share of Standard briquettes in the market mix of Jul 2025 fell below half, to 44% of all deals done (from 52% in June). Superior briquettes gained slightly, making up for 18.5% of market share in Jul 2025 (up from 16% in June). And Premium briquettes made for the rest 37.5% of the market in Jul 2025, up from 32% in the month before. With the monsoon firmly established by July, the market share of Standard briquettes (GCV < 3400, Ash >12%) typically dips lower because the feedstock typically used for making Standard grades is seasonal and runs out by this time of the year. But 2025 has turned out to be somewhat of an exception, with Standard grades still holding out. This will change, though as we head into August & September. All grades seeing a rise in prices in Jul 2025, and the relatively expensive Superior (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) and Premium (GCV >3800, Ash <8%) also gaining market share collectively, the overall weighted average price of all briquettes increased by more than 7% in Jul 2025 over Jun. The last time such a large increase was seen from one month to another, was Jul 2024 which saw a month-on-month jump in price by 8.6%.

The demand for briquettes on the platform in Jul 2025 was slightly better than the previous month, but the number has remained in a small range over three months now. Supply continued to be robust in Jul 2025 but lower than the average of the three previous months. More than half the quantity on offer was for Premium grades. The Suppliers to watch for in the coming months are those who manufacture Standard grades. Interestingly, the average price (across all grades), sought by Sellers in Jul 2025 was unchanged at ₹2.12 per kCal-kg, as compared to the month before. Buyers on the other hand came with higher average asking prices of ₹1.73 per kCal-kg as compared to ₹1.67 in Jun 2025. As a result, the Bid-Ask spread narrowed down to 39~40 paise. The average Deal Price (at ₹1.895) was 10% higher than the Buyers starting price. The Buyers have definitely loosened their purse strings in July.

Price Comparison: Coal vs Briquettes

The chart below compares the weighted average delivered prices of Biomass Briquettes to those of imported coal (GCV 3400 GAR, Gross as Received). We call the difference between these prices as the 'spread.' Coal prices in this chart (maroon line) are sourced from market publications, for Indonesian origin coal (3400 GAR), imported at Kandla and delivered on average 300 km inland. Briquette prices (purple line) are based on deals done on the platform. Both are converted to GCV basis, for meaningful comparison.



Last month we saw clear indications of the Coal vs Briquette spread reversing in July. And it did with a big swing!

The price of imported 3400 GAR Coal remained unchanged in Jul 2025, settling at ₹1.77 per kCal-kg. Briquettes on the other hand rose to ₹1.895 in July, sending the Coal vs Briquette spread over the line, to 13 paise in favour of Coal. Briquettes became firmly more expensive than Coal.

With these price movements in Jul 2025, Standard briquettes (GCV < 3400, Ash > 12%) were just 2 paise cheaper than 3400 GAR Coal. Superior briquettes (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) became more expensive than imported coal for the first time in 2025. Superior grades went from being 7 paise cheaper than 3400 GAR Coal in June, to being 8 paise costlier in Jul 2025: a flip in the spread by 15 paise in a month! With an unchanged Coal and fast climbing Premium grades (GCV > 3800, Ash < 8%), the spread between them extended even further to 32 paise, making Premium briquettes almost 18% costlier than Coal.

In the international coal market, competing pressures tried to pull the coal prices in two separate directions. China has seen sustained overproduction of Coal from its state-run mines. This record domestic production, combined with solar power generation replacing coal-fired power plants, led to a fall in demand for imported coal. Instead, exports of Coal out of China in the first half of 2025 were higher by 13% year-on-year. This trend is expected to last all of 2025, with production greater than consumption, even during the Chinese summer months of Jun to Aug, when demand is at its peak. Chinese authorities are reported to be aggressively halting excess coal production as lower prices impacted the profitability & financial health of their domestic coal industry. When does this impact reflect in the international prices will be something we will watch out for.

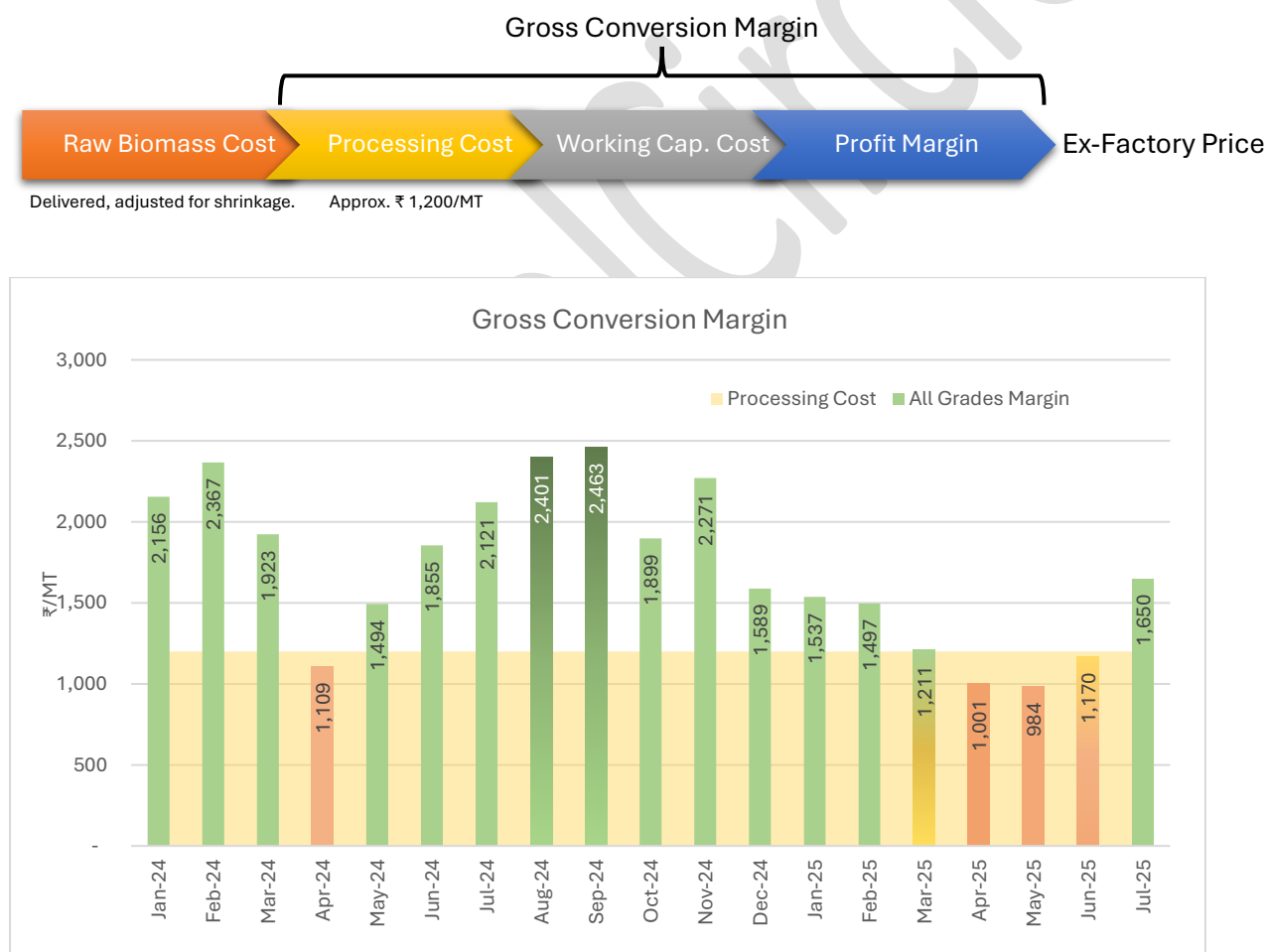
India on the other hand saw heavy rains in July disrupt port operations and inland logistics. This impacted the spot coal market, with consumers staying within their long-term contracts and not participating actively in spot purchases. To this got added adequate hydel power generation, low domestic coal prices and sufficient inventory at thermal power plants: thus becoming a recipe for discouraging imports. This trend is likely to persist for the rest of the monsoon season. But if inventories of imported coal currently stuck at the ports get cleared, and demand for industrial power picks up in anticipation of the Diwali festival, then coal-fired power plants may start building their inventories in preparation for October & November power demand. The reversal in trend, if it happens, may not be before September.

We continue to believe the price of imported 3400 GAR coal into west coast India will remain in the ₹1.85 ~ 1.75 per kCal-kg band. This should keep the Coal vs Briquette spread in the same 13 to 20 paise range for the coming months up to October.

Past Trends: Gross Conversion Margin

This chart shows the pan-India trend on the BiofuelCircle platform, of the difference between weighted average ex-factory price of Briquettes and weighted average delivered prices of Raw Biomass, converted to Rs per kCal-kg over the past months. Weighted average is calculated using quantity sought/ offered/ deals done, averaged over a month. This chart excludes commodities such as paddy straw, which are directly used for conversion to biogas or bioethanol.

To assess the inherent value of briquettes, we have compared the delivered price of raw biomass, with the ex-factory price of briquettes. Raw biomass prices have also been adjusted for expected shrinkage across various inputs. The difference represents the GCM (Gross Conversion Margin), which includes the processor's cost of conversion, inventory holding cost, and a profit margin. We have tried to benchmark this against an average processing cost of ₹ 1,200/MT (approx. ₹0.34 per kCal-kg) as represented by the shaded region in the graph below. On top of this will be the cost of working capital, which varies from processor to processor.



The good cheer from June widened into a beaming smile for briquette manufacturers in Jul 2025. The Gross Conversion Margin (GCM) rose to a healthy ₹1,650 per MT thanks to the sharp rise in briquette prices!

There were no deals recorded on the platform of feedstock for Standard grades in Jul 2025. Volumes are any case dwindled in June, and tend to disappear once the monsoon sets in. So for Jul 2025, we are not reporting margins for Standard briquette manufacturers. After three months of being squeezed on margins, manufacturers of Superior grades saw their margins soar above the ₹1,200 per MT benchmark level to ₹1,600~ 1,700 per MT. Once again in Jul 2025, Superior briquette manufacturers sourcing mustard husk feedstock from Biomass Banks, found prices remaining stable and predictable. They were definitely the happiest of the lot! Manufacturers of Premium Briquettes

sought groundnut shell, saw dust, with an occasional deal or two for newer commodities like mango seeds. So, while prices of feedstock for Premium grades actually went up, margins stayed in the ₹1,100 ~ 1,200 per MT range as corresponding briquettes were up around ₹500 per MT.

Combining all grades, the GCM across the spectrum came back to a respectable 24% of the average landed cost. We see this as a healthy sign for briquette manufacturers.

Forward Months: Briquette Prices

The prices (for Buys/ Bids, Sells/ Offers & Deals), as well as demand & supply quantities in the chart below are for delivery of biomass briquettes in the months to come.



The weighted average prices for deals done in Jul 2025, for forward delivery in the three near months of Aug, Sep and Oct 2025, were in striking distance if the crucial ₹2 per kCal-kg mark. In particular, for August delivery, the average price across all grades was ₹1.98 per kCal-kg, with Premium briquettes largely trading above ₹2, and Superior grades not far behind. Beyond Aug, into Sep 2025 and Oct 2025, the deal prices were slightly lower at ₹1.92 per kCal-kg.

Buyers continued to seek prices in a tight band between ₹1.68 to ₹1.71 per kCal-kg, all the way to Nov 2025. Buyer interest beyond Aug 2025 goes progressively lower, falling off by almost a third. Buyers seem to have set a single price consistent across all months, but currently willing to conclude deals almost 22 to 27 paise above their stated expectations. A nearly flat Buy/Bid price curve clearly indicates Buyers' desire for price stability.

While there is Buyer interest in the far forward months, most Sellers are unwilling to commit quantities into the post monsoon months from Sep to Nov 2025. Supply on the platform tapers off quickly after the prompt month of Aug 2025. In the near months (Aug & Sep), Sellers clearly hold all the cards, seeking prices at or higher than ₹2.20 per kCal-kg. A similar level was seen almost a year ago in the Jul to Sep 2024 period. Beyond September, Seller expectations jump 20 paise (almost 10%) to ₹2.40, which most Buyers consider unreasonable.

The shape of all the forward curves put together shows near month deals happening midway between Buyer and Seller expectations but then pulling closer to Buyers post monsoon. But the intriguing pattern emerging shows a Bid-Ask spread (between Buyer & Seller expectations) growing to 48 paise in Aug 2025, climbing close to 60 paise in the following month, and then crossing 70 paise – a number not seen since we started tracking this data. We have called 40 paise as the new normal, but the forward data seen in Jul 2025 seems to challenge this. The high asking price of ₹2.40, which

leads to the blown-out Bid-Ask spread in the later months, is most likely an abnormality, which could get corrected in August.

BiofuelCircle Benchmark Prices

We continue to publish **BiofuelCircle Benchmark Prices**, as a ground-up calculation to reflect fair value proposition for both buyers and sellers to drive sustained production and usage of biofuels. These prices are offered for reference and comparison.

Biomass feedstock, briquettes, pellets are all traded in volume on the BiofuelCircle platform. Through direct connect with participants (buyers & sellers), and its own internal research, the platform has access to cost elements such transport, storage, working capital, labour, seasonal variations, etc. Taken together, BiofuelCircle's analysts compute a range of prices that can provide stable margins to sellers, and at the same time are competitive for buyers.

Based on feedback received, this month we are introducing a simpler, national benchmark price for various grades, with a longer outlook beyond three months:

Ex-factory, ₹per kCal-kg

Grade	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Standard (GCV< 3400, Ash >12%)	1.45	1.42	1.43	1.45	1.46
Superior (GCV~3400 to 3800, Ash~8 to 12%)	1.47	1.44	1.39	1.40	1.41
Premium (GCV > 3800, Ash < 8%)	1.92	1.93	1.92	1.92	1.93

How do you find this simpler format? Do share your feedback. More granular data, based on place of supply or demand is available for registered users of the platform. Reach out to with [your BiofuelCircle representative](#) to know more.

In Conclusion

Briquette prices are on a firm upward trajectory in Jul 2025, looking to touch the all-important ₹2 per kCal-kg high mark. The availability of Standard briquette gets lower and lower from here, at least until fresh agricultural residue from kharif harvest reaches the manufacturers. So, an imminent rise in market share of Superior and Premium briquettes points to the weighted average of all grades increasing, especially due to the change in mix.

For the last four months, Superior briquettes have been 16 to 20% of the market. Trends from the last few years shows their share to reach 25% at most. The competition will really be between Premium and Standard grades. Superior briquettes though have the ability to act as a price buffer in the coming months of 2025, as most feedstock supplies have come from Biomass Banks at steady prices. We expect the share of Standard briquettes to retreat to around 30% or lower.

With both Superior and Premium briquettes becoming more expensive than 3400 GAR imported coal in July, some of the demand (especially dual-fired boilers) may migrate towards Coal in the rest of the monsoon months. And will keep the Coal vs Briquette spread around 15 paise or higher in Aug 2025.

In the forward months, falling Supply numbers indicate Suppliers unwilling to commit beyond the immediate next month, or at the most for the month after that. They seek to benefit from higher prices typically seen in the spot markets in the monsoon months.

Gross Conversion Margin (GCM) for briquette manufacturers is expected to improve further but it remains to be seen when will it breakout above ₹2,000 per MT. This will put the GCM at 22~ 24% of the landed price of briquettes.

The regions of East and West Rajasthan, East and West MP, Saurashtra, rest of Gujarat, Jharkhand, Western UP all saw above normal rain in Jul 2025 : from 28% to 130% over long-term averages. Districts in Western Maharashtra and Vidarbha also experienced above normal rainfall. Overall the IMD has retained their forecast for a good monsoon in 2025, which should yield better biomass availability after harvest. The only concern if at all would be distribution of rainfall.

If you are a Briquette/ Pellet manufacturer, how could these trends impact you? [Get in touch with your BiofuelCircle representative](#) to know more.

Are you a consumer of briquettes or pellets? Connect with [your BiofuelCircle representative](#) to understand how Benchmark prices can help give you price predictability and stability.

Disclaimer: This data is based on deals published and concluded on the BiofuelCircle platform during the period specified. The information contained is merely a guidance and not to be considered as an advisory for trading. The contents do not constitute professional advice or provision of any kind of services and should not be relied upon as such. BiofuelCircle does not make any recommendations and assumes no responsibility for any transaction/trading in commodities done based on the information given in the document and any such commitment/trade is subject to market and commercial risks for which BiofuelCircle shall not be responsible. *

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